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Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

OFFICE OF THE
SECRETARIAT

December 01, 2011

VIA E-MAIL

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: International Incentive Program
CME/CBOT/NYMEX/COMEX Submission No. 11-439R**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc ("CME"), the Board of Trade of the City of Chicago, Inc ("CBOT"), the New York Mercantile Exchange, Inc ("NYMEX"), and the Commodity Exchange, Inc ("COMEX") (CME, CBOT, NYMEX, and COMEX collectively the "Exchanges") hereby notifies the Commodity Futures Trading Commission ("Commission") of the implementation of an Incentive Program for proprietary trading firms and trading arcades located outside North America ("Program" or "IIP"). The proposed Program will become effective on December 16, 2011.

Exhibit 1 sets forth the terms of the proposed Program.

The Exchanges' business staff responsible for the Program and the Exchanges' legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, the Exchanges' staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants and Compliance with Rules and Record Keeping.

The proposed Program's incentive structure does not incentivize manipulative trading or market abuse and does not impact the Exchanges' ability to perform its trade practice and market surveillance obligations under the CEA. The Exchanges' market regulation staff will nevertheless continue to monitor all market participants that trade under the Program to prevent manipulative trading and market abuse. The incentives in the proposed Program do not impact the Exchanges' order execution. Participants in the Program will be selected by the Exchanges' staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchanges' rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The proposed Program is subject to these rules. The proposed Program will be subject to the Exchanges' record retention policies which comply with the CEA.

CME, CBOT, NYMEX, and COMEX certify that the Program complies with the Commodity Exchange Act and the regulations thereunder. There were no substantive opposing views to this Program.

The Exchanges certify that this submission has been concurrently posted on the Exchanges' website at <http://www.cmegroup.com/market-regulation/rule-filings.html>

If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at robert.lev@cmegroup.com, or contact me at 212-299-2200. Please reference our CME/CBOT/NYMEX/COMEX Submission No. 11-439R in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

INTERNATIONAL INCENTIVE PROGRAM

Program Purpose

The purpose of this Program is to incentivize proprietary trading firms and trading arcades located outside North America to trade the products listed below on the CME Globex® Platform. The resulting increase in liquidity in the products listed below benefits all participant segments in the market.

Product Scope

All CME, CBOT, NYMEX, and COMEX products available for trading on the Globex® Platform ("Products").

Eligible Participants

There is no limit to the amount of participants that may be selected in the Program. All approved CME, CBOT, NYMEX and COMEX non-members may participate. Only proprietary trading firms and trading arcades located outside of North America and traders located outside of North America are eligible.

To qualify as a proprietary trading firm under IIP a firm must:

Be a legal entity that trades its own capital. Trading funds must be exclusively firm funds and all trading must be done in the firm's accounts. Further, to qualify for IIP, A proprietary trading firm must meet the following criteria:

- All trading must be done in proprietary trading accounts held in the name of the firm.
- All trading must be done electronically by owners, employees or contractors of the firm.
- Only the firm's capital can be at risk of loss; that is, no traders may make any trading capital contributions or payments to the firm nor have any capital at risk in connection with their trading of the firm's proprietary accounts.
- All trading must be solely for the benefit of the firm. No other individuals or entities can have any ownership interest in these accounts.
- All funds contributed to and traded under the firm are subject to loss from any and all trading activity of the firm.
- All profits and losses of the account are booked to income of the firm.
- Net profits of the account after the distribution of trader incentives and deduction of expenses are taxed to the firm.

To qualify as a trading arcade under IIP a firm must:

Be a legal entity where individuals, whom are owners, employees or contractors of an entity, provide a legal, risk management and physical structure and trading facilities to traders in return for sharing of trading profits. Transactions must be executed in the name of accounts owned by the trading arcade and originate from the trading arcade facility or from a remote site connected to the trading arcade facility. The funds used for trading may be corporate pools of funds or commingled individual/corporate funds, of which the trading arcade must contribute at least 20% of the funds. Additionally:

- All trading must be done electronically by owners, employees or contractors of the firm.
- The trading arcade must participate in at least 20% of the profits/losses of the trading accounts.
- Individual traders may participate in no more than 80% of the profits/losses of the trading accounts.
- All trading is conducted in accounts of the trading arcade which are held in the name of the trading arcade.
- All funds contributed are at risk and subject to loss from any and all trading activity of the trading arcade. Thus, funds contributed by an individual trader are not only at risk and subject to loss from the individual's trading activity of the trading arcade account, but are at risk and subject to loss from any and all the trading activity of the trading arcade.

Program Term

Start date is December 16, 2011. End date is December 31, 2012.

Hours

The incentives will apply to all trades made in the Products regardless of the execution time.

Obligations

For continued eligibility, IIP participants must maintain a combined average daily volume in the Products of fifty (50) contracts (sides) a day measured over a given calendar quarter.

Program Incentives:

Once accepted into the Program, participants will be eligible to receive the following incentives:

Fee Discounts:

Participants will be eligible to receive fee discounts for the Products that are traded on Globex® in accordance with the following table:

| Product Category (For Executed trades on Globex only) | All-In Fees (per side) |
|--|-----------------------------------|
| CME Products | |
| E-mini Equity Index - futures | \$0.49 |
| E-mini Equity Index - option | \$0.44 |
| Full Size Equity Index contract | \$1.00 |
| Interest Rate contracts | \$0.44 |
| Foreign Exchange contract | \$0.54 |
| Agricultural contracts | \$0.81 |
| CBOT Products | |
| Mini Equity contracts * | \$0.49 |
| Full size Equity contract | \$0.81 |
| Interest Rates contract | \$0.44 |
| Agricultural contract | \$0.81 |
| NYMEX Products | |
| Energy contracts (Physicals) on CME Globex | \$0.75 |
| COMEX Products | |
| Metals futures contracts (Physicals) on CME Globex | \$0.75 |

* For CBOT Mini Dow product only

Monitoring and Termination of Status

The Exchanges shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements or fails to meet the obligations of the Program.